

DO FNo: 609 / 54 / 2006-DBK

**P.K. Mohanty
Joint Secretary (Drawback)
Telefax: 23341079,**

March 3, 2006

Dear Chairman/President,

Sub: All Industry Rates of Duty Drawback, 2006-07

Under the Duty Drawback Scheme administered by this Department, the duties (customs and central excise) paid on inputs used in the manufacture of export goods are refunded to the exporters in the form of drawback. The drawback rates are worked out and notified every year after taking into account the budgetary changes in the duty structure.

2. Following on the presentation of the Union Budget, 2006-07, the exercise is underway in the Ministry to re-work and revise the rates of duty drawback as impacted by the changes made in the excise and customs duties in the Budget. There is also a proposal to include for the purposes of drawback, the incidence of service tax on exports.

3. As you are aware, All Industry Rates of Duty Drawback are worked out by considering the consumption of input materials and the incidence of duties on these input materials. We would, therefore, request you to provide us with a comprehensive list of the various inputs which are used in the manufacture of exported products. A proforma in three parts is enclosed. I would like to emphasise that the consumption of input materials and incidence of tax, which is shown against the export of products must be relatable to the actual business activity of exports. Therefore, part of this proforma requires information on the actual cost incurred for making the export and the sales realisation on such exports. The third part of the proforma relates to the incidence of service tax on exports.

4. Since the work is time bound in nature, **you are kindly requested to furnish all information in the prescribed proforma by 24th March, 2006.** The information may also be sent by e-mail mofdbkatabank@hotmail.com.

5. Like the previous year, for formulation of All Industry Rates of Duty Drawback, 2006-07, the Government has constituted a three-member Committee consisting of Shri Saumitra Chaudhuri, Member, Economic Advisory Council to Prime Minister, Shri S.B. Mohapatra, Secretary to the Government of India (retired) and Shri T.R. Rustagi, Chief Commissioner of Customs & Central Excise (retired). Should you wish to make a presentation before the Committee, a time table may kindly be worked out and intimated in advance so that the same can be organised.

With regards,

Yours sincerely,

(P.K. Mohanty)

Encl: As Above

PROFORMA L1

Data pertaining to October-December, 2005 (average)

I For each major item of final product

(Please specify unit)

Inputs	Ex Factory price	Domestic Purchase Price	CIF price	Quantity of imported material used	Quantity of domestic material used
	1.	2.	3.	4.	5.

Note: To be completed by the Individual manufacturers/exporters

PROFORMA L2

Data pertaining to April -December, 2005

For each major item of final product

(Please specify unit)

Inputs	Total Quantity of import	Total Quantity of domestic production	Rate of excise duty w.e.f. 1.3.2006	Rate of Import duty w.e.f. 1.3.06
	1.	2.	3.	4.

Note: To be completed by the Export Promotion Councils

PROFORMA II

SUMMARY COST SHEET

Rs. per/Unit output

Company's name:

Product name:

A. Material cost

Item 1,2,3,-----

Sub-total

B. Fuel, electricity.....

C. Salaries, Wages &
Other overhead expenses.....

D. Total Cost.....

E. Domestic Sale price.....

F. FOB realisation.....

Note: This data should be provided for major items of export for a number of major companies, being a representative sample.

PROFORMA III

SERVICE TAX

For Major Export Companies in Your Industry to be Provided Separately For Each Company

Period : April – December 2005 – 06

Company (Name) :

Products Exported :

Total Business Turnover (Income):

Total value of sales :

Of which: -

a) Domestic Sales :

b) Export :

Total Service Tax paid (Rupees) :

A. Break-up of Total Service Tax
Service Tax Paid

1)

2)

3)

B. Service Tax on services directly relatable to export – itemized, such as export commission paid to foreign agents.
Service Tax Paid

1)

2)

3)

Sub Total : _____

To be certified by the Company Auditor.